



ANNUAL REPORT

2016



Notice of AGM

Notice is hereby given that the 109th Annual General Meeting of Remuera Rackets Club Incorporated will be held on Thursday 26th May 2016, at 7.30 pm in the Club Lounge, 17 Dilworth Ave, Remuera.

AGM AGENDA

1. Welcome and Introductions
2. Apologies
3. Obituaries
4. Approval of Minutes of 2015 AGM
5. Chairman's Report
6. Treasurers Report for year ended 29th February 2016
7. Election of Auditors
8. Election of Officers of the Club
9. Message from Out-going Club President
10. Medium Term Financial Forecast
11. Strategic Options – brief update
12. General Business
 - Caro Bowl
13. Question & Answers



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1. Minutes of the Annual General Meeting 28th May 2015	

Chairman's Report

Andrew Maclean

Remuera Rackets Club continues to offer excellent value in a facility combining diverse Racket, Fitness, Health, and Social offerings. The sport, recreation, and leisure market the club operates in remains extremely competitive and retaining membership numbers continued to be a challenge in the last year. Maintaining the financial viability of clubs in New Zealand like ours is difficult however RRC's position in owning its land with no borrowings is the envy of many other clubs, a perspective sometimes overlooked. Likewise, the rapid development and intensification of property in the vicinity of the club sees land values continue to rise and with that a number of conversations about commercial options and/ or partnering ventures into the future. The club has been approached by several parties and at the AGM there will be a brief overview of progress to date, plus anticipated timescales on how that process will continue later this year.

Highlights in the last year include the refurbishment of the bar and lounge area, and the upgrade of cardio equipment in the gym. Wilson Nicholson Furnishings and Feltex Carpets deserve special mention for their support of the bar and lounge project. An extensive review of cardio equipment options was carried out after it was clear much of the previous ageing equipment was unsafe and requiring an accelerating cycle of maintenance and costly repairs. Both projects have received excellent feedback from members.

Financially the club continued the recent trend and posted a loss. Consistent with other licensed premises the changes in drink driving legislation have had the effect of reducing bar sales and profits, in our case \$21k under budget. Sponsorship income also failed to meet a revised target and fell short by almost \$20k. Subscription incomes were down \$20k on 2015. In terms of costs the club had to meet \$13k of unplanned legal expenses. Likewise, \$12k on the gym cardio equipment was not budgeted for.

I would like to thank the board for their efforts and significant time commitments over the last year. The amount of time demanded of board members is substantial, much of which goes unnoticed by the general membership. The board is made up of volunteers who are

full paying members. The diversity of our club operations and its future strategy inevitably impacts on the amount of time these individuals are able to spend enjoying club facilities.

Thank you to our generous sponsors Wilson & Nicholson Furniture, Ellerslie Racing Club, Auckland Eye, BTG IT solutions, Energy Efficient Solutions, Vero, Urban Turf, BP, BNZ, and Alastair Hubbard at Ray White. The board has discussed a number of initiatives for 2016 designed to encourage members to get more involved in the club and gain additional benefits as a result. These include appealing to members and their networks to consider sponsorship or providing discounted products and services in return for promoting their business to the membership. Considerable work has gone into improving the club website and this is also a place where members can highlight special offers to members.

Finally, the combined team at the club deserve recognition for the high quality of service they provide through weekdays and weekends, often well into the evenings.

On any given day between 15 and 20 people work and provide services from Remuera Rackets Club. These include staff, contract partners, and volunteers. The board thank you for your loyalty to the club and service to the membership and visitors alike.

Andrew Maclean

Board Chair



President's Piece

Heather Worley

After serving 5 years on the Remuera Rackets Club board, two of those as President, I would like to thank the members, office and support staff and club partners, and all the board members I have worked with for their patience and time spent with me. In particular I would like to thank my husband Paul for his support, wise counsel and calming influence when I became over-excited at times.

I doubt the first board received much input from me; it was a steep learning curve and I became more opinionated as time went by. I would not say it has ever been a particularly 'easy' task being a board member for this club, therefore I ask you as members to remember your board are members like you who have volunteered their not insignificant time, care and effort to make your club the place we all want to come to and enjoy. Be patient, sometimes things don't happen as quickly as we'd like them to and as our club finances are an issue, we have had to exercise prudence in our expenditure, in particular with development options around the future of our club. You will hear more on these during our AGM.

This board has arguably been the best I have worked with; we have had excellent leadership from Andrew Maclean and I would like to thank him for the remarkable amount of work he has done, which largely has gone unnoticed. What I have most appreciated from this Board has been the determination to follow due process. This is not a waste of time, but instead recognises that a vision for the club provides a clear foundation that should guide us through many of our more difficult decisions.

Being President has allowed me to engage with members I may not have been afforded an opportunity to otherwise and there have been many very enjoyable moments which I thank you for. For the most part I see solidarity in wanting our club to survive and prosper, with many differing opinions as to how this should be done. I have also worked closely with our wonderful staff and RRC contractors and appreciate the amount of work required in keeping the club running as well as it does.

Competition is still alive and kicking at RRC. These days and nights, whether interclub or specific tournaments are times that the atmosphere is humming and I remember why I so enjoy being part of a 'club'. The gym improvements have been met with much positive feedback – it is becoming one of the better work- out venues in town, particularly with its views of the city and our tennis courts.

We are excited to be hosting the Squash Nationals this year and recognise that Aileen Buscke and her team of helpers are putting a huge amount of work into this to ensure its success.

Our future is before us. The truth as we have learned and that you will have plenty more time for discussion around, is that our club is not financially sustainable under the current model. However and excitingly, there are several realistic options, including partnering options that will be yours to choose from. It is the board's job to progress these options to an equal level whereby we all make a truly informed decision.

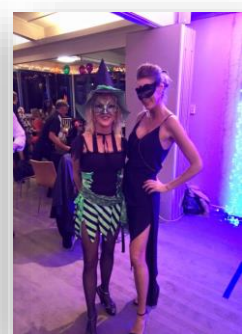
It seems that it will be a decision of such magnitude that a voting quorum of 50 will not nearly be enough – I believe every member should be canvassed to understand the options and to vote. Our decisions need to be based on not only an attractive structural model but also a strong financial model that guarantees the club a continued future. Importantly, a good governance model needs to be expressed to the membership, that will see us remain in charge of our own destiny and not absorbed into another entity, should we decide on one of the partnering solutions.

As I leave the board, I feel the club will be in capable hands, with a new board determined to progress our options and assist us all in deciding on an exciting new future. Remember that these things take time when done properly.

Finally, best wishes to John Paul Penny, the incoming President, he will be a wonderful person for the role.

With warm regards,

Heather Worley
Club President



General Manager's Report

Megan Crockett

2015/2016 has been a year of strategy, process and maintenance. There has been a significant emphasis placed on creating and building operational strategy and procedures.

As we look to the future for Remuera Rackets Club (RRC) the future strategic direction of the club has been high on the list of priorities as the strategic options sub-committee have continue to work through what the future of RRC could look like.

Bringing RRC operationally up to current industry standards has been of high focus throughout 2015 and into 2016. This has bought about an emphasis on developing clear guidelines and practices, processes and procedures for all avenues of club operations. This focus has been in effort to ensure effective and sound club operations to compete with the current sport, fitness and health market.

The 2015/2016 year has seen RRC embark on several key tasks to deliver quality and service to our members. A new upper level cardio floor has been a major upgrade to the gym facility, providing our members with the latest range of cardio equipment has encouraged them back into the gym. The gym area has also had new functional pieces of equipment added to support new and different ways of training and we have painted the gym providing a fresher feel. Similarly our club lounge underwent a transformation of sorts with new carpets to give a much needed facelift. Additionally we have embarked upon some facility maintenance that was in much need of attention which included; the tennis court turf rejuvenation to bring the turf back to life and implement a regular maintenance plan for the tennis courts. Our full club house has had up to 75% of our lighting reinstated especially throughout the squash courts, gym and lounge areas and we have been working closely with our roofer in providing a prioritised action plan and solutions to historical roofing issues.

We are excited that we are finally telling the rest of Auckland where we are, what we provide and how to find us as the new club signage at the rear of the club building stamps a great picture to Auckland's motorway commuters, putting Remuera Rackets & Health Club up for all to see.

The momentum created for RRC throughout 2015/2016 will help to support the club further into the future, but what a great club and what a great environment we have here! We encourage our members to come and enjoy it.

Thank you

Megan Crockett

Club General Manager



Rackets Report

Aileen Buscke

We have had another busy and successful year on the sporting front with some great individual and team performances in both tennis and squash.

The return of the National Squash Club trophy, the Mitchell Cup to Remuera was a season highlight for our top squash ladies: Ellie Epke, Priscilla Wildsmith, Rebecca Borman, Tanya Laurence and Jackie Moore, while some top individual performances from Ellie Epke, Natalie Sayes and Jade Stratford in NZ and overseas is testament that squash at the club is in great heart.

Tennis juniors again featured prominently on the national circuit and one in particular Holly Stewart recorded outstanding results. Amongst her many successes was her inclusion in the NZ Junior 14s Team who finished 7th overall in the World Junior Teams Event held in the Czech Republic. She later capped off a great season by winning the National 14s Individual title. Holly along with Adrian Lagman was named Auckland's Most Valuable Players at the National Junior Teams Event. Adrian was one of the most improved juniors on the circuit with some creditable results during the season.

The best Interclub performance this season was when Adrian Lagman, Filippo La Cava and Adrian's brother Alain won the Junior Caro Bowl for the first time since 2010. While we did not win any senior interclub pennants our 11 Promotion/Relegation teams more than held their own in most divisions. There was one performance worthy of mention; that of the second placing, against the odds of our Presidents' A team. Next season they have the option to be promoted to the top masters division, the Ferrier Cup.



Our People

Our Board, Our Staff, Our Partners

Remuera Rackets Club Board

President	Heather Worley
Chairman	Andrew Maclean
Treasurer	Thomas Owen
Board Members	George Allbury
	David Cameron-Brown
	Joanne Palmer
	John Paul Penny



Personnel

Club General Manager	Megan Crockett
Membership & Office Administrator	Andrea MacLeod
Rackets Co-ordinator	Aileen Buscke
Bar & Functions Manager	Arneyne Oliver
Groundsman	Ali Raja / succeeded by Phil Wallace
Tennis Pro Coach	Troy Turnbull/ succeeded by Javier Cabezas
Squash Pro Coach	Paul Wright

Personal Trainers

Michelle Dixon

Jenny Green

Jordan Katipa

Steve Hall



Club Partners 2015



Bodywise Pilates

Jenny Green



Future Proof Rehab Physiotherapy

Heather Worley



MD Sports Clinic

Michelle Dixon



TT Tennis

Troy Turnbull



The Racket Academy & Pro Shop

Paul Wright

Auditors

DFK Oswin Griffiths Carlton

Our Sponsors

We would like to sincerely thank our family of sponsors that have continued to add value to Remuera Rackets Club through their support of our Club, our tournaments and events and our facilities.

Remuera Rackets Club is extremely appreciative of the support provided by our generous sponsors. We encourage our members to please support these companies (listed below) who support your club, if the opportunity arises.



Our Volunteers

Life Members & Club Volunteers

Life Members

Noel Cashmore

Dave Griffiths

Don Cotter

Susie Simcock

Club Volunteers

We would like to express our gratitude and thanks towards those members that have volunteered their valuable time in one way or another to the Club. We certainly appreciate all you have done.

Contributions to Club

David Hughes

Contribution towards Club grounds and gardens

Robyn Page

Contribution towards Club grounds and gardens

John Paul Penny

Contributions to Tennis

Luka Unger

Contributions to Squash

Phil Wallace

Contributions to Squash



Tournaments, Trophies & Honours

Elite Teams & Club Champions

Tournaments

Remuera Rackets Club hosted five Tournaments during 2015:

- Alastair Hubbard Remuera Squash A2 & Below
- Remuera Classic Squash (Sponsored by Alastair Hubbard)
- Remuera Junior Tennis Classic (Sponsored by Wilson Asics)
- Remuera Squash Open (Sponsored by Alastair Hubbard)
- Remuera Junior Grand Prix Series
- Remuera Table Tennis Club Championships

Trophies

Our highly successful and winning teams for the 2015 season are as follows;

Open Club Champions for 2015

MEN

Tennis Javier Cabezas

Squash Michael Sunderland

WOMEN

Tennis Brittany Teei

Squash Rebecca Borman

Tennis

Caro Bowl Men

Alex Klintcharov, Rudi Statkus, Henry Gers & Macsen Sisam

Caro Bowl Women

Shaylee Syme, Brittany Teei, Holly Stewart, Elys Ventura & Rosie Bird

National Honours

Holly Stewart

NZ Junior 14s Champion, NZ Junior 14s Team to World Teams Champs

Masters

Steve Buckmaster

Men Doubles 40+ National Champion

Auckland Masters Team, National 40+ winners

National 45+ Doubles winner; Runner-up 45+ Singles

Squash

Ellie Epke

National Junior Open Champion; National Age Group Champion (4th time)

NZ Junior Girls Team to World Juniors in the Netherlands

Natalie Sayes

Australian Junior U13 Champion, NZ No.1 Ranking 2016

Jade Stratford

National 11 & Under Champion



Mitchel Cup Team

National Club Champions

Ellie Epke, Priscilla Wildsmith, Rebecca Borman, Jackie Moore & Tanya Laurence

Cousins Shield

Andre Wagenaar, Michael Sunderland, James Cooper, Todd Redman, Phil Buscke, Sam Carey & Tydyn Lonergan

Club Champions - Tennis

Mens Open	Javier Cabezas
Womens Open	Brittany Teei
Mens B Grade	Simon Muirhead
Mens C Grade	Dan Hempstead
Mens Open/B Doubles	Simon Muirhead & Andre Wagenaar
Mens C Grade Doubles	Peter Steele & Tristan Ehinger

Club Champions - Squash

Mens Open	Michael Sunderland
Womens Open	Rebecca Borman
Mens B	Michael Shelton-Agar
Womens B	Jen Cole
Mens C	Hamish Baker
Womens C	Simon Stratford
Mens D	Stefan Gray
Womens D	Jade Stratford
Mens E	Joshua Vodanovich
Womens E	Brighid Shelton
MASTERS	Christian Lonnvik



2015 / 2016 Club Awards

Ray Tamati Trophy

Dedication, Service & Kudos to Club

Paul Wright

Val Thorburn Tennis Award

Contribution to Midweek Ladies

Amanda Goddard

Aileen Buscke Trophy

Contribution to Squash

Mitchell Cup Team

Nigel Nathan Award

Pride & dedication to Squash

Luka Unger

National Squad Award

Rob Roche award for Meritorious Service to Masters

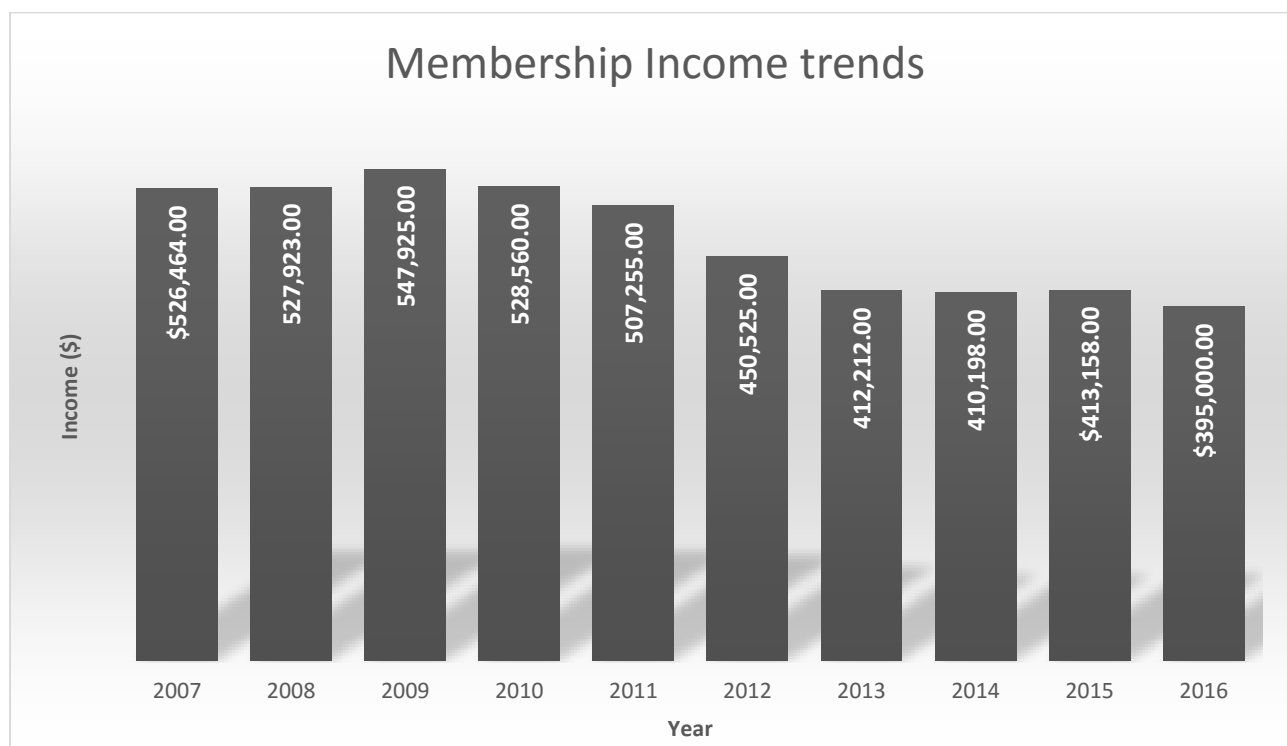
Holly Stewart



Membership

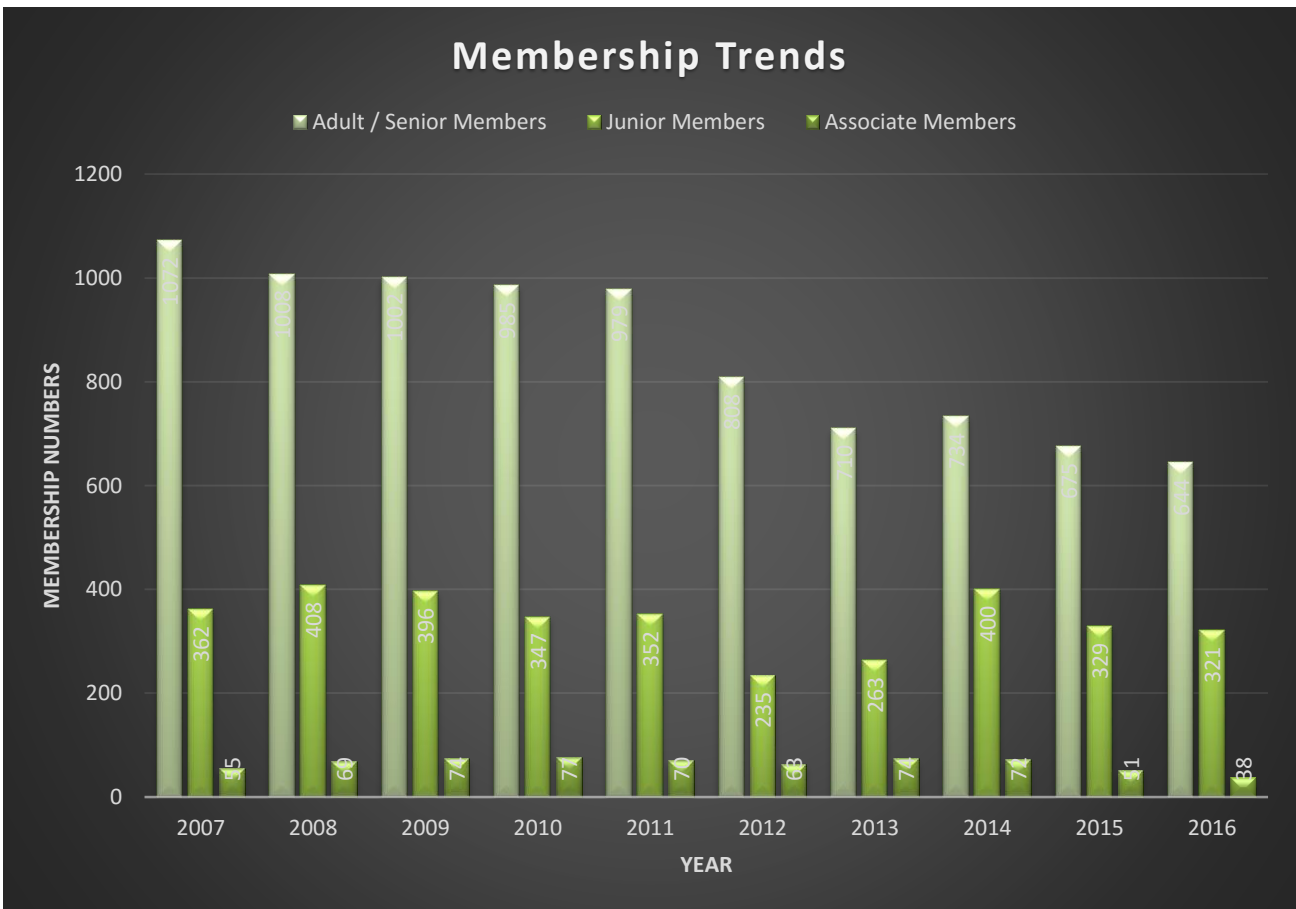
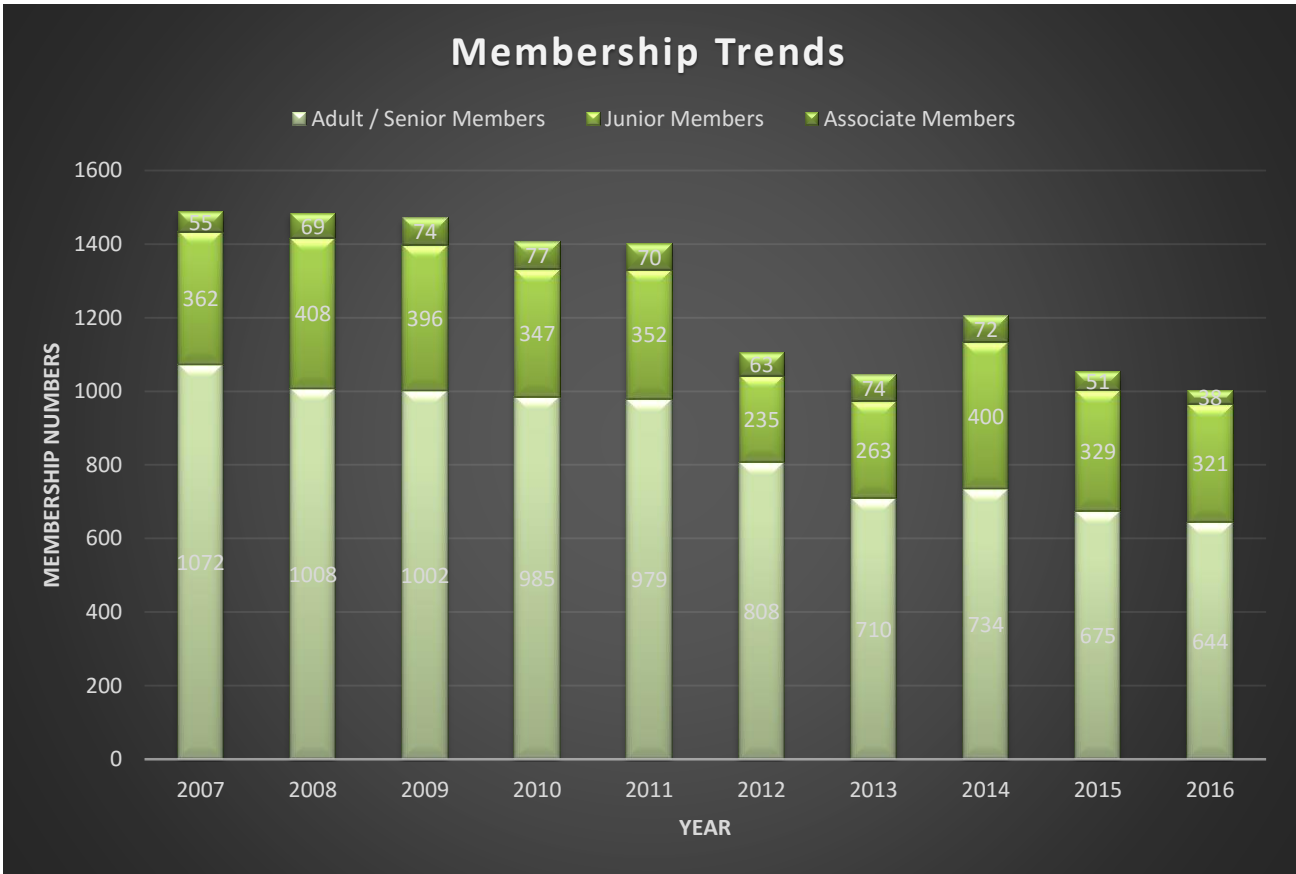
Membership Statistics

Membership Income



Membership Numbers

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Adult / Senior	1072	1008	1002	985	979	808	710	734	675	644
Junior	362	408	396	347	352	235	263	400	329	321
Associate	55	69	74	77	70	63	74	72	51	38
TOTAL	1489	1485	1472	1409	1401	1106	1047	1206	1055	1003



Financial Performance

Statement of Financial Performance

For the Year Ended 29 February 2016

	2016	2015
	\$	\$
REVENUE		
Subscriptions	394,708	413,158
Rental & Contractor Income	69,775	67,987
Bar Surplus	19,337	46,485
Sponsorship & Signage	41,400	38,638
Interest Received	10,821	12,639
Visitors' Fees	7,763	6,569
Sundry Income	2,064	9,589
Total Income	545,868	595,065
EXPENSES		
Accident Compensation Levy	3,528	2,521
Accounting Fees	7,500	23,235
Advertising	11,909	2,616
Audit Fees	4,200	3,900
Bank Charges	3,575	3,452
Card Expenses	4,104	3,357
Changing Room & Cleaning Expenses	39,494	24,551
Coaching Fees	13,203	12,934
Computer & IT Expenses	2,281	4,233
Consultancy - Governance & Working Parties	4,069	-
Depreciation	84,255	82,980
Electricity & Gas	29,193	27,173
Elite Tennis & Squash Expenses	6,038	7,103
Equipment Lease	11,658	-
Gym Expenses	24,045	25,628
Insurance	11,595	10,799
Legal Expenses	12,893	-
Levies to Local & N.Z. Associations	29,280	32,507
Maintenance - Swimming Pool	7,037	11,795
Maintenance - Squash Courts & Pavilion	39,415	47,627
Maintenance - Tennis Courts & Grounds	6,197	8,528
Office Expenses	4,376	3,647
Rates	26,005	24,034
Salaries	236,281	223,064
Security Expenses	8,777	6,106
Squash Expenses	2,567	1,943
Sundry Expenses	11,761	9,103
Telephone & Tolls	8,848	9,722
Tennis Expenses	3,767	3,574
Total Expenses	657,851	616,132
NET LOSS FOR THE YEAR TO ACCUMMULATED FUNDS	(111,983)	(21,067)

Statement of Financial Position

As at 29 February 2016

	2016 \$	2015 \$
CURRENT ASSETS		
Bank Accounts	43,741	136,146
Cash on Hand	1,095	1,095
Term Deposits	250,000	250,000
Accounts Receivable & Prepayments	28,737	7,066
Stock on Hand	7,642	7,273
Total Current Assets	<u>331,215</u>	<u>401,580</u>
NON-CURRENT ASSETS		
Fixed Assets at Book Value		
Land & Building	619,570	643,594
Pavilion & Squash Courts	441,625	454,470
Floodlights	55,531	61,413
Furniture & Fittings	11,267	16,142
Gymnasium	223,445	227,026
Gymnasium Equipment	2,232	9,379
Plant & Equipment	15,317	20,170
Total Non Current Assets	<u>1,368,987</u>	<u>1,432,194</u>
TOTAL ASSETS	<u>1,700,202</u>	<u>1,833,774</u>
CURRENT LIABILITIES		
Accounts Payable & Accruals	61,294	82,891
NON-CURRENT LIABILITIES		
Rob Roche Development Fund	10,090	10,082
TOTAL LIABILITIES	<u>71,384</u>	<u>92,973</u>
NET ASSETS	<u>1,628,818</u>	<u>1,740,801</u>
Represented by:		
ACCUMMULATED FUNDS	<u>1,628,818</u>	<u>1,740,801</u>

For and on behalf of the Club;

A. MACLEAN - CHAIRMAN

T.OWEN - TREASURER

Notes to the Financial Statements

For the Year Ended 29 February 2016

1. STATEMENT OF ACCOUNTING POLICIES

Reporting Entity

The financial statements of Remuera Rackets Club Inc. are a general purpose report which has been prepared in accordance with generally accepted accounting practice.

Measurement Base

The accounting principles recognised as appropriate for the measurement and reporting of the financial performance and financial position on a historical cost basis are followed.

Specific Accounting Policies

The following specific accounting policies which materially affect the measurement of the financial performance and financial position have been applied.

a) Revenue

Subscriptions are accounted for on a cash received basis.

b) Property, Plant & Equipment

All property, plant and equipment is initially recorded at cost with depreciation being deducted on all tangible fixed assets other than freehold land. Depreciation rates used are as follows:

Land & Improvements 0 - 20% Straight Line

Pavilion and Squash Courts 2 - 50% Straight Line

Pavilion and Squash Courts 8 - 67% Diminishing Value

Gymnasium 2% Straight Line

Gymnasium 13 - 14.4% Diminishing Value

Flood Lights 8 - 10% Diminishing Value

Furnishings 12 - 48% Diminishing Value

Furnishings 7 - 21% Straight Line

Plant and Equipment 10 - 50% Diminishing Value

Plant and Equipment 8.4 - 80.4% Straight Line

Gymnasium Equipment 11.4 - 30% Diminishing Value

Gymnasium Equipment 12.6 - 80.4% Straight Line

c) Goods & Services Tax

With the exception of trade payables and receivables, all items are stated exclusive of Goods and Services Tax.

Notes to the Financial Statements

For the Year Ended 29 February 2016

d) Inventories

Inventories are recorded at the lower of cost, determined on an average cost basis, and net realisable value, after due allowance for damage and obsolescence.

e) Leased Assets

Operating leases are those where all the risks and benefits incidental to ownership are retained by the lessor. Operating lease payments are expensed in the periods that the amounts are payable.

f) Receivables

Receivables are stated at their estimated realisable value. Bad debts are written off in the year in which they are identified.

g) Changes in Accounting Policies

There have been no changes in accounting policies. All policies have been applied on bases consistent with those used in the previous year.

2. AUDIT

These financial statements have been subject to audit, please refer to the audit report.

3. CAPITAL COMMITMENTS & CONTINGENT LIABILITIES

There were no capital commitments for capital expenditure or contingent liabilities at balance date (28 February 2015: \$0).

4. LAND & BUILDINGS

The Club's premises comprising freehold land and buildings were valued by Auckland City as at 1 July 2014 at \$4,450,000 on the basis of continued use as a Tennis and Squash facility.

5. SPECIFIC FUND

Funds donated by Rob Roche during the prior financial year for the development of young tennis and squash players have been set aside in a Specific Fund. The balance of the fund at balance date was \$10,090, (28 February 2015: \$10,082).

Independent Auditors Report

Oswin Griffiths

TO FOLLOW 18-05-16

Budgeted Statement of Financial Performance

For the Year Ended 29 February 2016

REVENUE	Budget 2017 (\$)	Actual 2016 (\$)	Budget 2016 (\$)
Subscriptions	380,000	394,708	420,000
Rental & Contractor Income	70,000	69,775	76,000
Bar Surplus	20,000	19,337	40,000
Sponsorship & Signage	40,000	41,400	60,000
Interest Received	8,000	10,821	10,000
Visitors' Fees	7,500	7,763	10,000
Sundry Income	2,000	2,064	5,000
Total Income	527,500	545,868	621,000
EXPENSES			
Accident Compensation Levy	3,750	3,528	3,000
Accounting Fees	7,500	7,500	7,500
Advertising	12,000	11,909	12,000
Audit Fees	4,250	4,200	4,000
Bank Charges	3,750	3,575	3,500
Card Expenses	4,250	4,104	6,000
Changing Room & Cleaning Expenses	56,000	39,494	28,000
Coaching Fees	13,250	13,203	15,000
Computer & IT Expenses	2,500	2,281	6,000
Consultancy - Governance & Working Parties	12,000	4,069	12,000
Depreciation	70,000	84,255	85,000
Electricity & Gas	30,000	29,193	30,000
Elite Tennis & Squash Expenses	6,000	6,038	6,000
Equipment Lease	28,000	11,658	-
Gym Expenses	24,000	24,045	20,000
Insurance	12,000	11,595	12,000
Legal Expenses	-	12,893	-
Levies to Local & N.Z. Associations	29,500	29,280	33,000
Maintenance - Swimming Pool	8,000	7,037	15,000
Maintenance - Squash Courts & Pavilion	40,000	39,415	30,000
Maintenance - Tennis Courts & Grounds	12,000	6,197	25,000
Office Expenses	4,500	4,376	9,000
Rates	26,250	26,005	24,000
Salaries	220,000	236,281	250,000
Security Expenses	9,000	8,777	6,000
Squash Expenses	4,000	2,567	4,000
Sundry Expenses	10,000	11,761	6,000
Telephone & Tolls	9,000	8,848	10,000
Tennis Expenses	4,000	3,767	4,000
Total Expenses	665,500	657,851	666,000
NET LOSS FOR THE YEAR	(138,000)	(111,983)	(45,000)

Appendices

Annual Report Associate Documents



2015 AGM Minutes

2015 ANNUAL GENERAL MEETING MINUTES

- MINUTES FOR APPROVAL & SIGN OFF AT 2016 AGM -

MEETING	Remuera Rackets Club Annual General Meeting 2015
VENUE	Remuera Rackets Club Lounge
DATE	Thursday 28 th May 2015
TIME	7.30pm
BOARD PRESENT	Don Cotter, Ben Unger, Heather Worley, Thomas Owen, George Allbury, John Paul Penny, Andrew Maclean (7)
INVITEES	All RRC Members
MEMBERS PRESENT	Errol Nixon, Richard Ebbett, Kerry Potter, Kevin Barry, Phillip Vodanovich, Alastair Hubbard, Rob Roche, Liz Ebbett, Tony Gardner, Ian Deyer, Robyn Page, Marty Janssen, Wayne Matson, Johan Theunissen, Colin McGowan, Isla McGowan, Colin Wallace, Bryan Kensington, Maurie Peters, Dave Gray, Phil Caughey, Jen Ferguson, Heather Davies, David Hughes, John Stringer, Chris Goldfinch, Margaret Cotter, Alan McCloy, David Cameron-Brown, Marianne Cherrington, Ben Wickens, Keely Skelton, Bernie Pratt, Sharon Roachford, David Griffiths, Ron McCapra, Richard Seifert, Colin Wilson, John Goodman, Dexter Loos, Simon Jones, Joanne Palmer, Simon Johnston, Richard Purser, Peter Knight, Peter Steele, Mark Wilkinson (47)
EMPLOYEES & CONTRACTORS PRESENT	Troy Turnbull, Angela Allen, Aileen Buscke, Megan Crockett, Jenny Green, Arneyne Oliver, Tegan Barry, Paul Wright (8)
APOLOGIES	Susie Simcock, Hugh Faris, Arthur Mahy, Michael Pusinelli, Bruce Darwin, Jenny & Pat Williams, Ray Maxwell, Graeme Richardson, Peter Burgess, Ant Faris, Simon Muirhead, Paul Rosser, Alex Rosser, Phil Horne

MINUTES:

Key Summary Items

Meeting Opened 7.30pm

Chairman - Don Cotter (DC)

- Welcomed the members to the 108th Remuera Rackets Club (RRC) AGM

Introductions:

DC introduced:

- Past Presidents; Brian Kensington, Rob Roche, David Griffiths and Colin McGowan
 - Current Board: Ben Unger, John Paul Penny, Andrew Maclean, George Allbury, Heather Worley, Thomas Owen
 - Staff: Aileen Buscke, Angela Allen, Arneyne Oliver, & Megan Crockett
 - Club Contractors; Jenny Green, Troy Turnbull
- **Special Mention - Phil Wallace**
- A special mention was given to Phil due to his current fight with cancer.
 - Colin Wallace to convey the club's best wishes to Phil

Approval of Minutes of Annual General Meeting 2014:

- Past minutes circulated in the back of the Annual Report
- DC moved 2014 minutes be approved as true and correct record of last year's AGM, seconded – David Griffiths
- The minutes were approved

Consideration of Annual Report & Statement of Accounts:

- Year Ended 28th February 2015

1. Don Cotter (DC) Chairman's Report:

- Another challenging year for club
- Membership attrition: it has been hard to stem the flow and finances have impacted on this
- 99% of our members find this club a great place to come to
- Board might be struggling operationally and strategically but the club has had another successful year
- The club database is dreadful with 3 systems that don't talk to one another nor are they accurate. This was a concern in that our affiliation fees to Squash and Tennis may not be accurate as we may be misrepresenting our membership figures. DC

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had spoken with these organisations and believed if we are misrepresenting the affiliation numbers then we would be misrepresenting numbers higher than the accurate number

- Currently the club does not have a large number of paying adult membership numbers. Membership numbers have had a small boost from the incoming members of the Remuera Gym (RG) who joined when the Remuera Gym folded
- A number of our junior members are incorporated in family memberships
- We have been working hard to get our membership numbers accurate
- Pilates Associate members are no longer required to purchase an associate membership to attend Pilates so this has affected these numbers also
- Membership numbers are not great, had all time low a couple of years ago and a little growth last year
- We have been trying many avenues to grow our memberships, however it is a very difficult marketplace
- Currently we have been losing 20% of our membership every year on attrition alone, whereas we need 20% growth in membership

DC On Financial Statements:

- The club has come in at a loss, we have managed to put \$75k in the bank really because the board agreed not to spend any money this year on deferred maintenance as we were told by the insurers that we were no longer insured unless we upgraded the electrical switch boards and gained another building WOF
- The Bar has also suffered financially this year, believed to be due to the lower alcohol driving limits / new liquor laws. We have had the occasional great weekend with tournaments and events and then we have good bar takings. There has been a decline from approximately \$5k per week to around \$3.5k per week over the bar. We have not had many private functions to boost the bar revenue. Neighbours have contributed to this this with noise complaints
- Last year was difficult with staffing, last year we started the year with a part time commercial manager, which didn't work well. This was purely a commercial role which left Angela and Aileen running the club. DC thanked Angela and Aileen for their hard work last year
- The Board then decided a full time manager was required to get the club up and running again. Andrew Maclean ran the selection and interview process late last year to appoint Megan Crockett. Megan has brought in new fresh ideas so far and DC believes that will be good for the club going ahead

DC Further Commented:

- Acknowledged the other staff that do so much here at RRC. Arneyne was thanked for her work as bar manager
- Sponsorship: Major sponsors BTG (Steve Harris), has been a superb sponsor for the club, this is a sponsorship in contra (so not always seen on the books) for our IT, data and phones. BTG has helped the club immeasurably. New World Remuera is another major sponsor supporting the Caro bowl teams and we hope that they will continue this year. Harcourts, Alastair Hubbard, was also thanked for his sponsorship towards squash in particular
- Further sponsorship growth is required

Key Summary Items

- Racket Activities: Aileen's report could be seen in the Annual Report. It had been another challenging year around the club. A highlight was the age group champs in August 2014. The club has been entering good numbers in interclub tennis and squash. Social tennis was a concern as we not been getting numbers in club night and mid-week ladies. Squash club night was well supported. We have junior members playing at an international level. These players a great tribute to the club with 5 juniors coming through the club and a couple of older players performing well at their levels
- Interclub teams have not recently celebrated much success and the club will be looking to see this turn around in the near future. Two very strong teams were heading to Whangarei the following weekend

DC Commented on the Current Position of the Club:

- The club is facing challenges which have been highlighted to the membership in a couple of letters, with variable feedback
- The club will need to decide how it wants to be positioned. The incoming board will be faced with these challenges
- We are in a much better position than most clubs in that we own our land and that is potentially a tool to be used to advantage the club and members going forward
- DC put together a working party in June 2014, looking at the long term future of the club and those people were Ben Unger, Bruce Davidson, Tony Gardner, David Cameron-Brown, with Colin McGowan, Ross Healey and Troy Churton had been called upon at various times. He had also taken advice from Grant Seagar. Three options put on the table are;
 - 1) The Club does nothing and buys its way out with increased subscriptions and an aim to gain more members
 - 2) To sell some of the club land and use the money to redevelop the site/club
 - 3) To find a joint venture partner. Remuera Golf Club had approached DC in confidence asking to meet with them to see if there is a possibility of a joint venture at the golf club site. DC agreed to meet in confidence. They have had a strategic review committee working on where they see their golf club going forward. They had surveyed their members who indicated they wanted to be more social and have more on offer/options/variety available to them at that club
- DC wanted to advise the meeting that this offer is on the table and it could be an exciting possibility.
- DC concluded he thought it had been a good year and thanked everyone for their contribution to the club

2. Thomas Owen (TO) Financial Reports

Brief summary of the statement as it appeared in the annual report:

- Statement of financial performance, shows the club a net loss for the year of \$21k this compared to last year's net loss of \$1,600. And a budgeted loss of \$1,500
- Total income for the year is \$596k

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- Subscription income for the year slightly higher than last year at \$413K
- Contractor income slightly up this year
- Bar surplus down on last year by around \$10k and Don has already alluded to why this is the case
- Total expenses for the year were \$616k
- Major components of this are depreciation, squash court maintenance and salaries. Maintenance includes the power and switchboard upgrade of \$30k
- The areas with big movements between the years. Accounting fees are up due to the previous accountants billing the club annually in arrears as opposed to monthly which we are doing now to a lower annual rate. This includes 2 years
- Increase in salaries due to part time commercial personnel and Club Manager Nov last year
- While the Club made a net loss of \$21k, it made a cash Surplus of \$81k
- Moving on to the Statement of financial position – bank accounts and balances have increase by approx. \$75k as a result of the cash surplus
- There was very little capital expenditure last year
- Accounts payable is one item that moved substantially and this is due to the power board upgrades that took place in January 2015 then paid for later in March
- Then the Budget for financial year 2015/2016 - we have budgeted for a \$45k loss for the year. Have budgeted for increases subscriptions, membership retention and marketing along with an increase in sponsorship. Have forecasted bar surplus will be down again with the new laws impacted upon us already
- We are budgeting that expenses for 2015/16 will be predominantly the same as the 2014/15 actuals
- With the addition of \$12k for externally consultancy fees relating to the strategic working group

QUESTIONS FROM THE FLOOR ON FINANCIAL STATEMENTS:

- 1) **Dexter Loos:** Looking at bar figures – DC said bar figures have dropped down but they aren't equating with figures just presented.

DC: Dexter we are talking about the year ahead of us, we are seeing impact of these new laws already, so we will see that drop come through. We take approx. \$250k over the bar from various events with tennis and squash etc., turnover this year probably won't reach \$200k

- 2) **Simon Johnston:** Salaries are blowing up again to \$250k which is over 38-40% of our expenses which I believe is over the top

DC: Last year I provided volunteer services to the club in the role of chairman and acting GM and wouldn't want to quantify what that cost would have been if not volunteered. The board decided we couldn't get away without a club manager. I was not successful in both the GM and Chairman role. The heat is now on Megan, she is going to have to go out there and justify the spend. We have no choice

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- 3) **Kevin Barry:** We haven't had a tennis tournament up until recently which impacts upon bar takings. I hope incoming board can make things happen.

DC: In terms of tennis tournaments this has not been Board's decision, The more activity around the club the better for both the good will and financial returns from bar etc.

- 4) **Peter Steele:** Why don't the accounts take into account the deferred maintenance?

DC: Peter from a non-accountant. We have identified around \$500k of capital expenditure that needs to be spent in the next 5 years. TO also noted that we are also not showing the land at true value in the books either.

- 5) **Phil Vodanovich:** \$500k is a lot of money. Courts 3 & 4 are an issue and there is a bit of an issue on court 5 but others are perfectly fine all we need is sound maintenance and sand. We don't have a maintenance contract in place for the tennis courts and we should have, we don't have courts sanded regularly and we should which would help with wear and tear. Courts 3 & 4 were identified several years ago that they were an issue and here we are still waiting to get those courts fixed

DC: Yesterday DC received a status report from TT (tiger turf) on all the tennis courts in the club. Issue with courts 3 & 4 is that TT put new surface on these courts without telling the club that the base of the courts was crumbling. We felt this was unsatisfactory so we went to TT to find a way through this. The court base was always going to be a RRC cost and the surface their cost. Tiger Turf have said that if we can find the funds for the base they will resurface the courts free of charge at Tiger Turf cost. JP is DC's tennis advisor and had informed him they are not getting any worse though still a problem. The 2014/2015 Board decided it would not spend any money on the tennis courts.

DC: There is nothing right now in the Tiger Turf report that suggests the club need to spend money on any of the courts, coming back to base on courts 3 & 4 the board made a decision that they wouldn't replace the base in this financial year. DC met with Tiger Turf 2 weeks prior. They want to get rid of this offer off their balance sheet and therefore if we don't take up the offer within 2015 they will need to take this liability off their books and we will forfeit the offer. The best they can offer going forward would be a discount on re-laying the courts.

DC: The new board will have to make the call on spending the money for these courts.

- 6) **TT:** Queried the figure of \$200k in the chairman's letter for the cost of the courts

DC: that was a figure of \$25k per court and if we are replacing 8 courts at once its \$200k.

TT: TT felt the Club should have asked the Pro Tennis Coach his view on the state of the tennis courts. In his opinion the bottom courts (5-10) would last at least 8-10 years, regarding courts 3 & 4 he believed the court base was faulty

This all happened over a Christmas holiday period with DC overseeing this and the only person here when they laid these courts was DC. This is the Club's fault for not carrying this out in a correct manner

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David Griffiths - Don is not a technical person when it comes to the tennis courts and stated TT was completely out of order

DC: Became the chairman of the club in 2012 about Oct/Nov, the courts resurfacing contract had already been signed. He came back from holiday several times to monitor Tiger Turf. He was not involved at the start of the process and it was only after the courts were laid that it was noted there were some bounce problems.

We still now need to make a decision on courts 3 & 4

7) **Bryan Kensington** - Queried who was allowed to speak at the meeting.

DC: Troy as a contractor was not entitled to speak at the meeting.

8) **Heather Davies** - wanted to discuss marketing figures. Felt that if the Club wanted an increase in members it should be required to market and advertise, which the current budget did not reflect.

DC: Motioned the accounts be accepted. Seconded by Simon Johnston and carried.

Election of Officers to the Club:

This year we had three (3) vacancies and five (5) nominations. The Club's Constitution requires there must be a chartered accountant on the board. Thomas Owen was up for re-election but as he was the only chartered accountant nominated the Board at their last meeting, appointed him to one of those vacancies. This meant now two (2) vacancies were left.

NOTE: The process was scrutineered by Ray Maxwell and Tony Gardner, who were thanked

➤ The new Officers of the Club are; David Cameron-Brown and Joanne Palmer

DC moved that the ballot papers be held for 5 days and then be destroyed. Seconded by David Griffiths, carried.

Election of Auditors:

DC: moved The Clubs current auditor DFK Oswin Griffiths Carlton be our auditor for the coming year, seconded by Richard Ebett, carried

General Business:

➤ DC asked Colin McGowan to say something about Remuera Golf Club offer

Colin McGowan – An important note is that RGC approached RRC. The incoming board and the Strategic Committee will be the ones charged with investigating this option. It could be a very exciting time for the Club

Phil V: Asked a question around a subsequent timeline

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DC: Understood RRC should make a decision by 31st March 2016

DC: Made a comment RGC have council land with a 70+ year lease, they pay approximately \$130k rental per year

1) **John Stringer:** To DC, that he had painted a bleak picture in the last 12 months with his correspondence. When considering the financials of assets plus cash and operating surplus, we don't have to make a knee-jerk kind of reaction to our future when we are actually in a reasonably sound position. Felt we should let the new board look at the options. Asked that we put all options into the mix and make the right decision for the Club.

DC: Did not agree he had been negative in his correspondence. He agreed the Club was in a strong position and decisions did not need to be made imminently

2) **Kevin Barry:** Asked questions about Remuera Golf Club.

DC: Declined to discuss RGC further.

3) **David Hughes:** We need to find out what the members of this club want before appraising any of the 3 options. Aggregating clubs for the future could be a possibility

4) **Dexter Loos** - Wanted to say on record - "it's not important that the process wasn't managed right by the club, what's important is that we have the company coming back to us saying they will cover the courts free of charge and the base will be our cost. Is this correct?"

DC: "yes that's correct. "

DL: "If we have a time limit on this offer then shouldn't we be looking to take this offer up before it's no longer there?"

DC: Stated he received the Tiger Turf report 2 days previously and it is now with the new board who will be looking through this

5) **Bryan Kensington:** Stated Club membership numbers and finances were both declining. Encouraged finding out from the members what they would like in their club

6) **Tegan Barry:** Asked if any discussions had been had with any neighbours over noise issues or disputing our current liquor license?

DC: The Liquor license is not under dispute, it is about the noise. We can run private functions but the noise is the issue

7) **Phil Vodanovich** - Supported John Stringer's comments; we have had membership losses since 2007 and are now sitting at 1114, with our membership fairly static over the last few years. Suggested the Club needs a Strategic Plan and asked the Board to make this a priority. Agreed we needed member feedback and cited the results from the members survey of two years ago had not been provided to the membership

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8) **Bruce Davidson:** On the strategic issues. He has been the chairman over the last few years at the Auckland Squash Centre and the Charitable trust there, they have undertaken a joint venture on Unitec land with Trust money and they have struggled. In spite of an Operations manager with great knowledge and experience, if it weren't for Subway tenancy, they would struggle to be solvent. The Sporting world has changed and club's demands need to change with it also. Commended Don for being a great chairman through the years, he had been at the club for the last several decades and an enormous thanks was owed to him for his contribution

Don Cotter Statement:

My reasons for not standing for a further term have nothing to do with my passion and long term commitment to the club as I believe there is now real hope for some optimism for the club's future as I have just discussed.

However, while not everyone in this room will be comfortable with what I am about to say I hope everyone is listening. Two and a half years ago I was approached by several members of the then Board to in their words "come back and fix the club". I accepted reluctantly as I felt I had done my bit for the club over many years and I was also fairly well aware of what needed to be done. After my first Board meeting I found myself Chairman as no other member was prepared to step up.

I was immediately faced with membership numbers at an all-time low, a tired and neglected building and a club office where harassment and verbal abuse had gone unchecked for a good number of years creating an unpleasant and unsafe work environment.

I believe on many fronts significant progress has been made and I was pleased to be able to put to the members in my March Chairman's report (the 18th report I have provided to the Club members whilst I have been Chairman) the options I saw for the club going forward. Within hours of this letter being sent to the membership Troy Turnbull sent an email to the Board accusing me of not acting in the club's best interests and suggesting the Board should require my resignation.

This was followed by a further email two days later repeating his accusations and demanding the Board respond.

I would like members to know that whilst there was a small number of responses concerned with my statement the club's major sponsor amongst many other club members whose judgement I value made contact with the club or me thanking me for the research and clarity that had gone into the statement and fully supportive of my approach.

Members now need to further understand that in the last two and a half years as Chairman I have spent a large, unnecessary and always unpleasant amount of time dealing with numerous contractual breaches and complaints regarding Troy where his actions have harmed the best interests of the club and tarnished our reputation in the Auckland tennis community.

Remuera Rackets is a private club owned by its members and no one person is bigger than the club. This email sent by a club contractor with no membership rights is totally unacceptable. With total support from the Board I felt I would have been able to deal with this problem once and for all and given the opportunities ahead for the club I was keen to put my name forward for a further term. Unfortunately, I have been told I no longer enjoy

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the unanimous support of the Board and given what I have just outlined I am not prepared to compromise my integrity any further

- 9) **Sharon Roachford** asked if the club knew how many non-members were using the club, specifically tennis players and non-members who received tennis coaching, with concerns there was no financial benefit to the club

DC: The arrangement with both contractors (squash & tennis) was that they paid a licence fee and visitor's fees. DC felt a lot of non-members were using the club and thought that should change

Troy Turnbull: Asked to be able to respond.

DC: declined to allow him to respond

- 10) **Phil Vodanovich:** It had been a difficult couple of years and in his view it was clear to see the board had been fairly disparate and that some of DC's comments and statements had not been totally unanimous from the board's perspective. The Club has had quite a few women who had put their names forward for the board and had either been voted on or seconded on to the board but those women had left over the past 2 years. It probably hadn't been an easy time for the rest of the board either, He stated he hoped the new board could work with the experiences they have had over the past couple of years and move forward with a positive attitude.

DC: Wished the new Board well

- 11) **Colin Wallace** - expressed dismay that DC was not going to be chairman anymore and dealing with all these difficult decisions that had to be made, given we were at a critical stage. We would miss DC's knowledge and background. The comments being made were totally irresponsible. He thanked the board, the members and all involved in the club for the wonderful support they have had of Phil and the family during a difficult time

➤ **DC** – declared the meeting closed.

➤ **MC** - presented departing Chairman Don Cotter and departing board member Ben Unger with a gift and words of thanks for their work during their tenure on the RRC board

Meeting Closed: 9.00pm